
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

Whilst we will continue to develop our apparel supply chain servicing business, we also plan to allocate more resources on expanding our apparel retail business by developing our apparel retail sales network, expanding the geographical coverage and diversifying brand portfolio through obtaining licence rights to produce, market and sell more recognised global brands. Please refer to the section headed “Business — Our business strategies” in this prospectus for further details of our expansion plans.

USE OF PROCEEDS

The net proceeds from the Global Offering, after deducting underwriting fees and estimated expenses payable by the Company in connection thereto, are estimated to be approximately HK\$80.3 million, assuming that the Over-allotment Option is not exercised and assuming an Offer Price of HK\$0.70 per Offer Share, being the mid-point of the proposed Offer Price range of HK\$0.58 to HK\$0.82 per Offer Share. We intend to use such net proceeds as follows:

Apparel Retail Segment

- Approximately HK\$30.5 million or 38.0% towards further expanding and strengthening our brands portfolio and setting up Unisex Life multi-brand retail outlets:
 - approximately HK\$8.0 million or 10.0% towards setting up Unisex Life Outlets that sell products under our Licensed Brands and our *Unisex* Brands, of which approximately HK\$6.5 million or 8.1% towards self-operated retail outlets, approximately HK\$1.4 million or 1.8% towards cooperative retail outlets and approximately HK\$0.1 million or 0.1% towards franchised retail outlets; and
 - approximately HK\$22.5 million or 28.0% towards obtaining additional licence rights to produce, market and sell reputable brands to diversify our brand portfolio.
- Approximately HK\$20.9 million or 26.0% towards further developing the branded apparel retail segment by expanding our retail sales network of *Unisex* Brands and improving our existing Unisex Outlets which sell products under our *Unisex* Brands:
 - approximately HK\$16.1 million or 20.0% towards setting up new Unisex Outlets selling products under our *Unisex* Brands, of which approximately HK\$6.0 million or 7.5% towards self-operated retail outlets, approximately HK\$6.0 million or 7.5% towards cooperative retail outlets and approximately HK\$4.1 million or 5.0% towards franchised retail outlets; and
 - approximately HK\$4.8 million or 6.0% towards image upgrading and renovation of existing Unisex Outlets, of which approximately HK\$2.3 million or 2.8% towards self-operated retail outlets, approximately HK\$1.9 million or 2.4% towards cooperative retail outlets and approximately HK\$0.6 million or 0.8% towards franchised retail outlets.
- Approximately HK\$10.4 million or 13.0% towards brand promotional and marketing activities such as advertising through the media, organising sales fairs and sponsoring entertainment shows and celebrities to accommodate the expansion plans of our apparel retail business. As at the Latest Practicable Date, we have not identified any specific entertainment shows or celebrities for future sponsorships.

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- Approximately HK\$6.5 million or 8.1% towards developing different brands and setting up online shops for selling products under our *Republic* Brands to capture the rapidly growing online sales market.

Apparel Supply Chain Servicing Segment

- Approximately HK\$12.0 million or 14.9% towards further enhancing our information technology systems and developing our design and development capabilities of our apparel supply chain servicing business.

If the Offer Price is set at the high-end or low-end of the proposed offer price range, the net proceeds of the Global Offering (assuming that the Over-allotment Option is not exercised) will increase or decrease by approximately 17.5 million, respectively. In such event, we will increase or decrease the allocation of the net proceeds to the above purposes on a pro-rata basis.

In the event that the Over-allotment Option is exercised in full, and assuming an Offer Price of HK\$0.82 per Offer Share (being the high-end of proposed Offer Price range of HK\$0.58 to HK\$0.82 per Offer Share), the Group will receive additional net proceeds of approximately HK\$35.5 million. Under such circumstance, the Directors intend to apply the additional net proceeds to the above uses in the proportions stated above.

To the extent that the net proceeds of the Global Offering are not immediately applied to the above purposes, it is our present intention that such net proceeds will be deposited into interest-bearing bank accounts with licensed banks and/or financial institutions in Hong Kong.